

NEWS RELEASE

UNITED STATES ATTORNEY'S OFFICE
318 South Sixth Street
Springfield, IL 62701
Tel: 217/492-4450

RODGER A. HEATON
U.S. ATTORNEY
CENTRAL DISTRICT OF ILLINOIS



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Contact: Hilary W. Frooman
Assistant U.S. Attorney
(217) 373-5875

Former Champaign Tax Return Preparer Sentenced to Two Years in Prison

Urbana, IL - A former tax return preparer has been sentenced to a term of 24 months in prison for preparing fraudulent tax returns, as announced by Rodger A. Heaton, United States Attorney for the Central District of Illinois. On February 28, 2006, Chief U.S. District Judge Michael P. McCuskey sentenced Sherry Henderson-Young, 40, currently of Lafayette, Louisiana, for preparing fraudulent tax returns for the 1996 - 2000 tax years while she was employed at Jackson Hewitt in Champaign. Judge McCuskey further ordered Henderson-Young to pay full restitution in the amount of \$163,115 to the U.S. Treasury for the taxes owed to the Internal Revenue Service as a result of the fraud.

On October 28, 2005, Henderson-Young pled guilty to preparing fraudulent tax returns which allowed her clients to receive government payments as part of the Earned Income Credit (EIC) to which they were not entitled. Her clients were unaware that the tax returns filed on their behalf contained false information which provided them with an EIC they otherwise would not have qualified for or increased the amount of EIC to which the client was entitled. The returns prepared by Henderson -Young claimed incorrect filing status, fictitious self-employment, falsely claimed qualified children, and falsely claimed child care expenses.

The EIC may be used to legitimately reduce federal income taxes owed by an employed person. If the EIC amount exceeds a taxpayer's full tax liability, the remaining credit is paid to the taxpayer.

(More)

U.S. Attorney Heaton said, “The viability of the tax system depends on everyone paying his or her fair share. Using false information to give one an advantage over another is a disservice to those who rightfully earn and deserve tax credits.”

Henderson-Young was ordered to self-report on June 30, 2006, to the federal Bureau of Prisons to begin serving her term of imprisonment.

The case was investigated by the Criminal Investigation Division of the Internal Revenue Service. The case was prosecuted by Hilary W. Frooman, Assistant U.S. Attorney, of the Urbana division.

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